

Melrose Water and Sewer District

P. O. Box 125-Melrose, MT 59743

(406)835-2895

EXHIBIT

DATE

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Jan 31, 2011

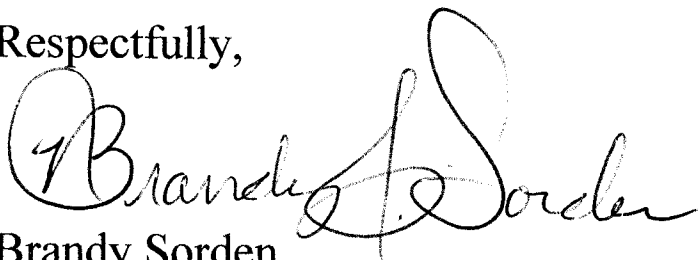
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Members of the Long Range Planning Subcommittee:

In the interest of time, we ask you to also consider what were to have been our remarks. When you do, please realize that while this project started out as one addressing a critical need of a very small community, it soon became apparent to not only those to directly benefit from it, but also to a great many others, up, down and around the Big Hole River, and in and out of Montana, that the project's funding and prioritization may very likely be critical to the preservation of one of Montana's, and this Nation's, premier natural resources, as well as to the health and livelihood of the literally hundreds of Montanans who, together with all the fish, fowl and other wildlife, depend on it.

We thank you for your consideration.

Respectfully,



Brandy Sorden

Chairman, Melrose Water and Sewer District

Melrose Water and Sewer District

P. O. Box 125
Melrose, MT 59743
(406)835-2895

DNRC Renewable Resource Grant and Loan Program

The protection of the Big Hole River, one of our state's most beautiful, pristine rivers is why we are here asking for your financial assistance with our project. The sewer pumps in Melrose are twenty years old (the expected life of a sewer pump is approximately 10-15 years), and they have been failing on a regular basis for years. We keep repairing them, but they continue to fail. Our main concern is that, in the event of a major pump failure, the ensuing sewer spillage would find it's way to Camp Creek, which flows directly into the Big Hole River. You see, Camp Creek is located only about 100 feet from a manhole which happens to be the lowest point on the system. We know that the overflow will come up at that manhole first because it's happened before, due to pump failures. If a major failure occurs, raw sewage could certainly leak into and contaminate Camp Creek and the Big Hole River. We would then be responsible for some unbelievably expensive clean up.

The environmental and economical impact of this disaster would go far beyond the townspeople of Melrose. Others who would suffer from a sewage spill into the Big Hole River include farmers and ranchers who depend on the Big Hole River for irrigation water and livestock water; all the people who travel from far and wide to fish in one of the West's best trout fishing rivers; all the people who come to camp near, swim in, and otherwise enjoy our river; the businesses of Melrose and surrounding towns, including outfitters, restaurants, motels, and retail shops; and all the life contained within in our river....fish like the Westslope Cutthroat Trout (a potential candidate for the endangered species list) and the fluvial Arctic Grayling (a candidate for the endangered species list), the life that sustains the fish population within the river, and the wildlife on the banks of the Big Hole River. If the spill was bad enough, there definitely could be a negative impact even further downriver....who knows! The thing is, we don't ever want to find out.

We have consulted with everyone we can think of, including Flygt, the pump manufacturer, and other experts on pumps and sewer systems, but none of their suggestions have brought us any long-term solutions. We finally hired an engineering firm to help us come up with solutions and funding options. We've come to the conclusion that the best solution is to purchase and install 2 new grinder pumps to replace the ones that we have. These pumps should be more efficient, dependable and competent than the pumps that we have now. With superior pumps installed, the danger of failure should diminish, taking with it the likelihood of spilling sewage into the Big Hole River.

We have gathered support from a whole host of sources. We have individual letters of support from residents of Melrose, owners of businesses in Melrose, Kevin Brown (the executive director of the Big Hole Watershed committee), Dan Powers (the assistant health director of environmental services), Jim Olsen (the fisheries biologist for the Big Hole), Jeff Walker (managing member of the Big Hole Ranch), Mike Bias (the executive director of the Big Hole Foundation), Judy Boyle (an educator at the Divide school), as well as a list of signatures of people who are in favor of our project. In all, we have 19 letters supporting our project and a petition of support with 32 signatures. The folks lending us their support know that our project is of the utmost importance for maintaining the pristine water, blue ribbon fishing and gorgeous scenery of the Big Hole River.

Funding is a huge concern for us. Melrose is a tiny little town (less than 75 full time residents) with a lot of older folks on fixed incomes, so we need as much funding as we can get to keep rates affordable for those who live here. Our rates are already at 125% of the target rate for this area. Our district has almost drained its reserve funds repairing the pumps. We need this grant to carry out this project; we can't afford to pay for the improvements on our own, and we can't wait for another session in another two years to fix our problem. We believe that an ounce of prevention is worth a pound of cure. We need to take action now to protect our river.

Thank you so much for hearing us. We look forward to a positive response.



Post Office Box 21
Divide, MT 59727
(406) 370-7230
www.bhwc.org

January 18, 2011

Brandy Sorden
Melrose Sewer District

Dear Brandy,

On behalf of the Big Hole Watershed Committee, I am pleased to submit this letter of support to the Melrose Sewer District for the Pump Replacement Project. This project supports the water quality priorities identified by the Big Hole Watershed Committee (BHWC) by helping reduce the risk of raw sewage entering the Big Hole River.

The Big Hole Watershed Committee has worked hard to improve water quality and quantity issues in the Big Hole. We believe strongly in forming partnerships with all stakeholders who have an interest in the sustainability of a healthy resource in the Big Hole Watershed.

Through partnerships like this, we are able to coordinate efforts to address the resource issues of the Big Hole River, promote economic activities that are compatible with the environmental amenities of the watershed, and protect and enhance the natural resources in the watershed.

The Big Hole Watershed Committee supports your application for funding.

If you have any questions, you may contact me by phone at 406-370-7230 or via email at kbrown@bhwc.org.

Sincerely,

A handwritten signature in cursive script that reads "Kevin Brown".

Kevin Brown
Executive Director



25 January 2011

DNRC Renewable Resource Grant and Loan Program
Montana Department of Natural Resources and Conservation
Resource Development Bureau
1625 Eleventh Avenue
Helena, Montana 59620-1601

Dear Director,

The town of Melrose, Montana has submitted a proposal to the DNRC's Renewable Resource Grant and Loan Program for funding to complete a sewer pump project. The Big Hole River Foundation is in full support of this project.

The Big Hole River Foundation's mission is to understand, preserve, and enhance the free-flowing character of the Big Hole River, its unique culture, fish and wildlife. The DNRC's program looks to help fund projects that conserve, manage, develop or protect Montana's renewable resources are eligible for funding. Because this project is necessary to protect the valuable natural resources of the Big Hole River from potential environmental harm, we urge the DNRC to look favorably upon the town of Melrose's project.

Thank you for your time and consideration.

Respectfully,

Michael A. Bias, Ph.D.
Executive Director



Montana Fish, Wildlife & Parks

January 24, 2011

Dear whom it may concern,

I am submitting this letter in support of the RRLG grant proposal by the city of Melrose. The current sewer pumps are not adequate to handle the type and amount of sewage produced by the town and have resulted in repeated failure. The frequent repairs have occurred in a timely fashion preventing sewer build up and spillage. However, a major failure could be eminent and should such a failure occur raw sewage would enter nearby Camp Creek less than 1 mile upstream of the Big Hole River. This section of the Big Hole River is a very popular recreational fishery for brown and rainbow trout. The uncontrolled discharge of raw sewage into the creek and subsequently into the river could have substantial impacts on the fishery and aquatic environment of these two water bodies. It is much better to take care of a known risk now than wait until an emergency arises and try to deal with it then. Therefore, I am writing this letter to support the replacement of the sewer pumps for the city of Melrose. If you have any questions, please feel free contact me (533-8451).

Sincerely,

A handwritten signature in black ink, appearing to be 'Jim Olsen', written in a cursive style.

Jim Olsen,
Fisheries Biologist, Big Hole River



Big Hole Ranch, LLC

January 25, 2011

Long Range Planning Committee
Renewable Resource Grant and Loan Program
Department of Natural Resources and Conservation
Helena, Montana

Ladies and Gentlemen:

The Members of Big Hole Ranch, LLC, Melrose, Montana, not only support the Wastewater System Improvements Pump Replacement Project (the "Project") funding application of the Melrose Water and Sewer District (the "MWSD"), but also encourage you to grant it the highest possible priority.

Despite the fact that our septic system is independent of the MWSD, we are acutely aware of the critical necessity of the Project for not only Melrose residents and businesses, but for the entire southern Big Hole River watershed and all that depend thereon.

While the small number of residents and businesses directly served by the MSWD alone may not merit a high prioritization for such a project, we ask that you consider all those from Divide, Glen, Dillon, and Twin Bridges, and the sportsmen from throughout the U.S., which either directly and indirectly depend on, or are drawn to, the pristine condition of the Big Hole River and all the fish and wildlife it supports.

We understand that severely limited local resources have caused the situation to evolve to the point where time is of the essence and the Project needs to be funded and completed as soon as possible. The location of MWSD's sewer treatment facilities adjacent to Camp Creek, a tributary of the Big Hole River, and monumental hazard represented by any other than their safe and efficient functioning would seem to eclipse all but the highest priority ranking for the Project.

We strongly support the MWSD's application for funding of their Pump Replacement Project and ask that you do the same.

Respectfully,

BIG HOLE RANCH, LLC

Managing Member

Tuesday, January 18, 2011

To The Panel of the DNRC:

The Big Hole River. The name produces smiles and memories upon many faces, from fishermen from all over the country to young children tubing down the river on a hot summer afternoon. For many, this river means memories, and brings pictures of a beautiful pristine river.

At Divide School, we have been studying the river for two years through the Clark Fork Watershed Education Program. We have determined through water quality testing and macroinvertebrate studying, that this river is one of exceptional quality. That is why it is known as a Blue Ribbon River. It supplies recreation, agricultural needs and tourist dollars to all the towns that line its banks. We are very proud of our river and the attraction it holds for so many.

However, there is a huge possibility that it will be under attack. It has come to our attention that the town of Melrose needs the help of the State of Montana to protect this river from contamination. We ask you to award the grant money to the Melrose Water and Sewage District to repair and improve its sewage treatment facility. Its proximity to the river, its location on the Big Hole River floodplain, and its rundown facility could cause this river to lose its appeal. More importantly, this river meets the Beaverhead River in Twin Bridges. Together, these rivers produce the Jefferson River which becomes the Missouri River, which becomes the Mississippi River to end in the Gulf of Mexico. What will become of those rivers and the people along their banks?

The future of the Big Hole River and its residents depend on you to help preserve this river.

Thank You,

A handwritten signature in cursive script that reads "Judy Boyle". The ink is dark and the signature is fluid, with the first and last names clearly legible.

Judy Boyle
Supervising Teacher
Divide School
Divide, Montana 59727



540 Main St
Melrose, MT 59743
406-835-2141

1-17-11

Dear Committee,

I am writing this letter asking the DNRC to help the Melrose Sewer District to obtain funds they need to replace what seems a poorly designed and outdated pump and lift station. As a business owner and a sewer board member I understand the need for a system that will serve the community without continually having the pumps rebuilt (2 or 3 times per year) which is a huge reoccurring expense that our small community cannot afford. Also the system has the potential to spill sewage into the river thus destroying the lives of many of our citizens that depend on fisherman and tourists. Also ranchers depend on the river for irrigation and watering livestock.

The lift station and pumps are located nearly on the banks of the Big Hole River. Should this pump and lift station break down and sewage flows into the Big Hole River it could result in contaminating one of Montana's greatest trout fisheries. My business and others depend on the river for our livelihood. Fisherman and tourists will not visit our area if the river has been contaminated.

Melrose and the Big Hole River need your help! Please approve the funding.

Best regards,
Chuck Bulen